2016 First Extraordinary Session

HOUSE BILL NO. 9

BY REPRESENTATIVE COX

## TAX/SALES & USE: Provides for the amount of dealer's compensation for collection and remittance of state sales and use taxes (Item #21)

1	AN ACT
2	To amend and reenact amend and reenact R.S. 47:306(A)(3), relative to state sales and use
3	tax; to provide for the amount of dealer compensation for the accounting for and the
4	remittance of taxes to the state; to establish a monthly limit on the amount which
5	may be paid to a dealer; to provide for applicability; to provide for effectiveness; and
6	to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:306(A)(3) is hereby amended and reenacted to read as follows:
9	§306. Returns and payment of tax; penalty for absorption
10	A. General provisions.
11	* * *
12	(3)(a) For the purpose of compensating the dealer in accounting for and
13	remitting the tax levied by this Chapter, each dealer shall be allowed .935 percent of
14	the amount of tax due and accounted for and remitted to the secretary in the form of
15	a deduction in submitting his report and paying the amount due by him, provided the
16	amount of any credit claimed for taxes already paid to a wholesaler shall not be
17	deducted in computing the commission allowed the dealer hereunder. This
18	compensation shall be allowed only if the payment of the dealer is timely paid and
19	the return is timely filed.

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(b) Beginning April 1, 2016, the aggregate state compensation permitted for
2	a dealer under the provisions of this Paragraph, regardless of the dealer's number of
3	business locations in this state, shall not exceed one thousand dollars per calendar
4	month.
5	(b)(c) Municipalities are hereby authorized to pay compensation to their
6	sales tax dealers in any amounts designated by the governing body of the
7	municipality.
8	* * *
9	Section 2. This Act shall become effective on April 1, 2016, and shall be applicable
10	to all taxable transactions occurring on or after April 1, 2016.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Relative to the collection of state sales and use tax, imposes a \$1,000 per month limit on the amount of compensation authorized for a dealer for compensation for the accounting for and remittance of state sales and use taxes.

<u>Present law</u> imposes a 4% state tax upon the sale, use, consumption, storage, or rental of certain tangible personal property and services in La.

<u>Present law</u> requires that dealers either monthly or quarterly transmit to the Dept. of Revenue a tax return showing the gross sales, gross proceeds from lease or rental, gross payments for lease or rental, gross proceeds derived from sales of services, or gross payments for services, arising from all taxable transactions during the preceding calendar month. The return shall also include a computation of taxes due.

<u>Present law</u> authorizes a dealer to deduct and retain an amount equal to .935% of taxes collected as compensation for accounting for and remitting the taxes in a timely manner.

<u>Proposed law</u> retains <u>present law</u> and imposes a \$1,000 per month limit on the amount of compensation permitted to a dealer, regardless of the number of business locations in this state.

Applicable to all taxable transactions occurring on or after April 1, 2016.

Effective April 1, 2016.

(Amends R.S. 47:306(A)(3))